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C O N F I D E N T I A L LUXEMBOURG 000637

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E.O. 12958: DECL: 12/11/2016
TAGS: [EAIR](#) [ETRD](#) [EU](#) [LU](#)
SUBJECT: AMBASSADOR DISCUSSES EU'S AVIATION EMISSIONS
PROPOSAL WITH PRIME MINISTER

REF: STATE 190254

Classified By: DCM Steven H. Kraft for reasons 1.4 (b) and (d)

11. (C) During a meeting on 11 December, Ambassador raised the topic of the European Commission's proposed plan to include aviation in the Emissions Trading Scheme (ETS) with Luxembourg Prime Minister Jean Claude Juncker. Drawing on points contained reftel, the Ambassador highlighted US concerns with the proposal and reiterated that our preferred forum was ICAO. Juncker offered no substantive response saying only that Luxembourg was "looking at" the Commission's proposals.

12. (C) COMMENT: According to Embassy MFA contacts, the MFA held an intra-governmental coordination meeting on 8 December between the MFA, the Ministry of Transportation and Environment, the Ministry of Economy and Trade, and Cargolux (Europe's largest cargo airline which is 1/3 indirectly owned by the GOL). While not privy to the details of the meeting, Econoff was informed that it was Luxembourg's position that as the European Council had already endorsed the idea of including aviation in the ETS "in principle," Luxembourg did not believe it could take a position against it at this time. However, our MFA contacts noted that Luxembourg had not yet received the actual proposal and would more appropriately be able to comment on it once it was received on 20 Dec. Post will continue to follow up and report any substantive information septel. END COMMENT
WAGNER